WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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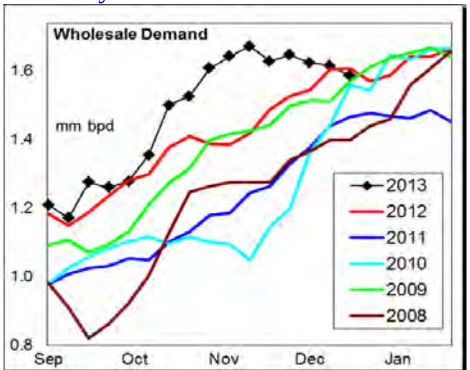
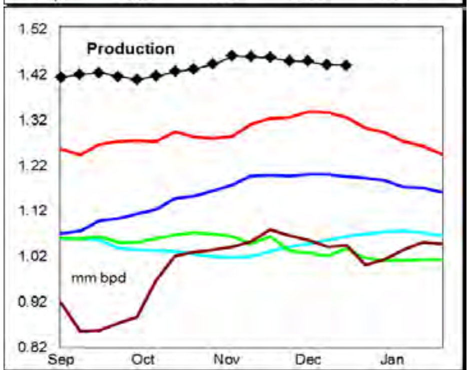
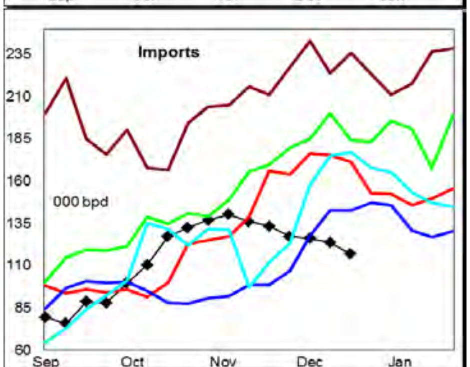
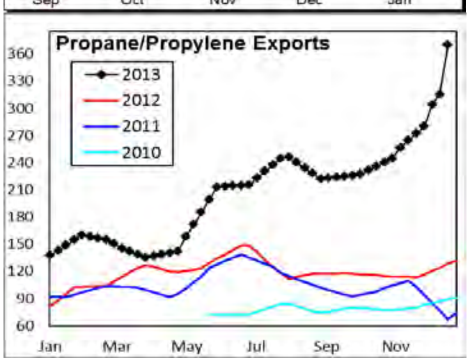




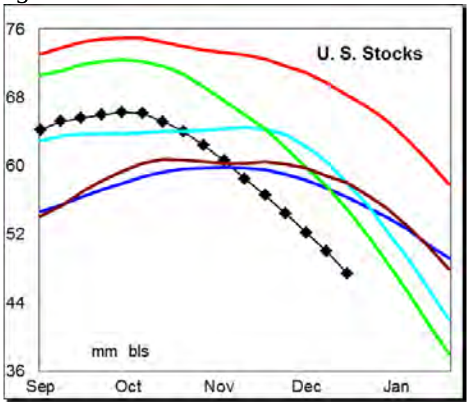




Wholesale demand decreased -72,000 bpd last week, due in part to a drop in deliveries during the holiday week. Production increased +35,000 bpd on the week while imports declined -4,000 bpd.

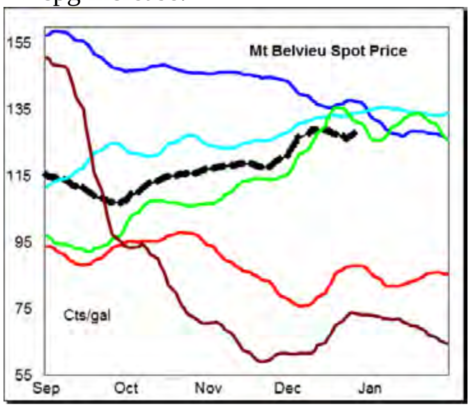
Combined production and imports during the latest 4-wk period were +27,000 bpd above a year ago. Production was +95,000 bpd above last year (+7%), while imports were -68,000 bpd lower.

The latest 4-wk average demand was +37,000 bpd above last year. *Exports were 370,000 bpd for the most recent week, compared to 132,000 bpd a year ago.*



Stocks fell -2.5 million barrels on the week, with the latest 4-wk draw of -9.3 million barrels matching the prior record draw. U.S. stocks ended the week -31% below last year and below the 5-yr range.

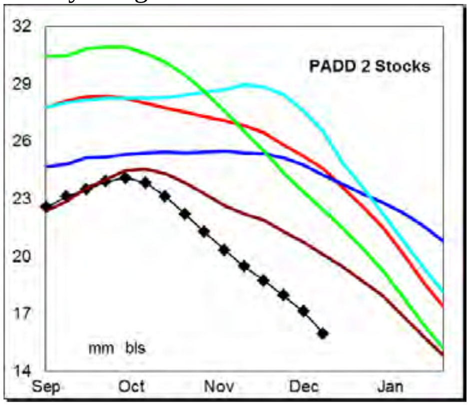
Price and Spreads Mt Belvieu spot price increased +2 cpg for the week ending 27Dec13 while Conway spot price saw a +7 cpg increase.



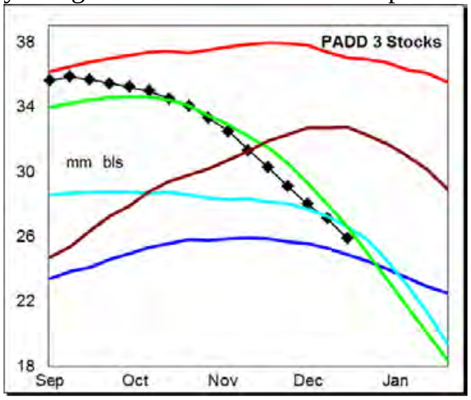
The Conway – Mt Belvieu price spread ended the week at a +18 cpg premium; evidence of the tightness of supply in the Midwest.

PADD 1 production was +2X times year ago output. Stocks ended the week at a level below four of the last 5-yrs.

PADD 2 stocks declined -0.8 million barrels on the week, to a level -36% below last year and well below the 5-yr range. Supply increased +24,000 bpd on higher imports and production. Imports were -45% below a year ago and below the 5-yr range.



PAD 3 stocks fell -1.2 million barrels last week, to a level -31% below a year ago. Supplies increased +3,000 bpd last week, and were +62,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week, with the level equal to 5-yr highs for the period.

Emerging Trends Exports have surged during the last month to nearly 0.4 million bpd, +2.8X year ago levels, even as record heating degree days drive a supply squeeze in the upper Midwest. The 10-day forecast is for much above normal heating degree days across nearly all major heating markets. Midwest markets should remain in an extreme supply squeeze; providing support to record high Conway spot prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

December 29, 2013

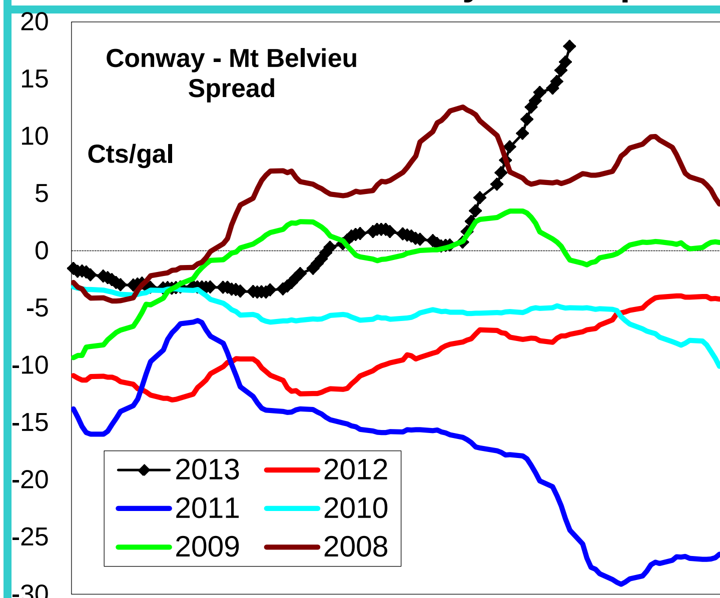
Fundamental Trends for the Week Ending: Friday, December 20, 2013

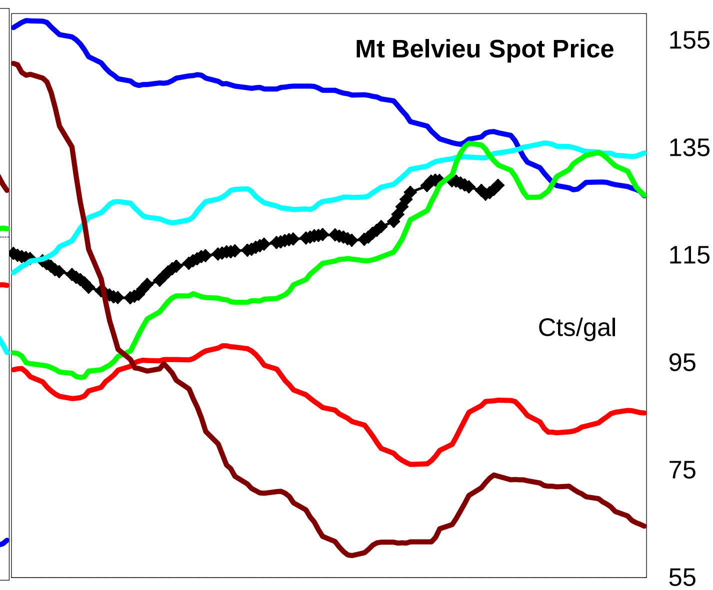
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	47,442	3,913	15,148	25,883	2,498	-2,516	-274	-810	-1,207	-225
Propylene Stocks	3,479					212				
Production	1,440	144	255	881	160	35	4	9	3	19
Imports	117	56	49	0	12	-4	-14	15	0	-5
Whsle Demand	1,546					-72				

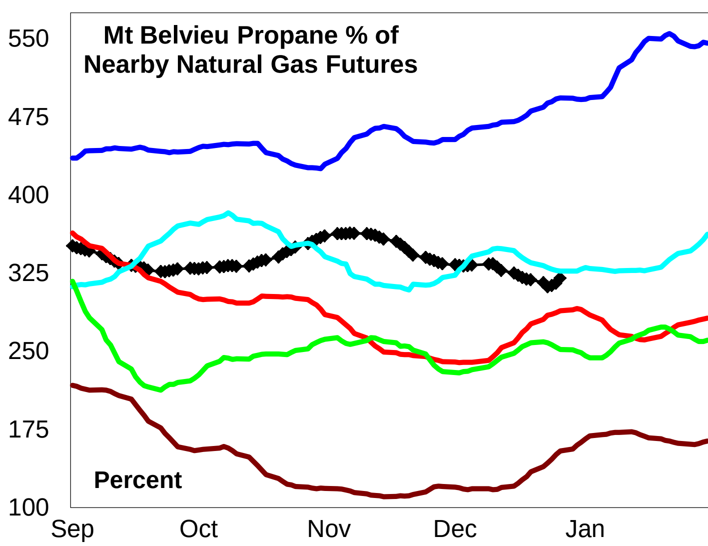
Price Trends for the Week Ending: Friday, December 27, 2013

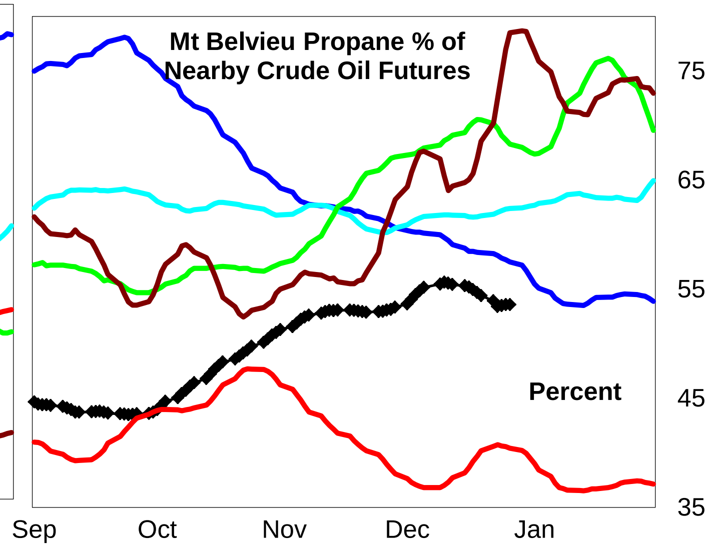
Cents/gal	Average for week ending:				Change from:			% change from:		
	12/27/13	12/20/13	11/29/13	1/1/13	12/20/13	11/29/13	1/1/13	12/20/13	11/29/13	1/1/13
Mont Belvieu Spot	126.7	128.2	116.9	89.8	-1.49	11.23	27.09	-1.2	9.6	30.2
Conway Spot	142.4	140.6	117.5	82.1	1.82	23.15	35.40	1.3	19.7	43.1

Key Price Spreads and Differentials









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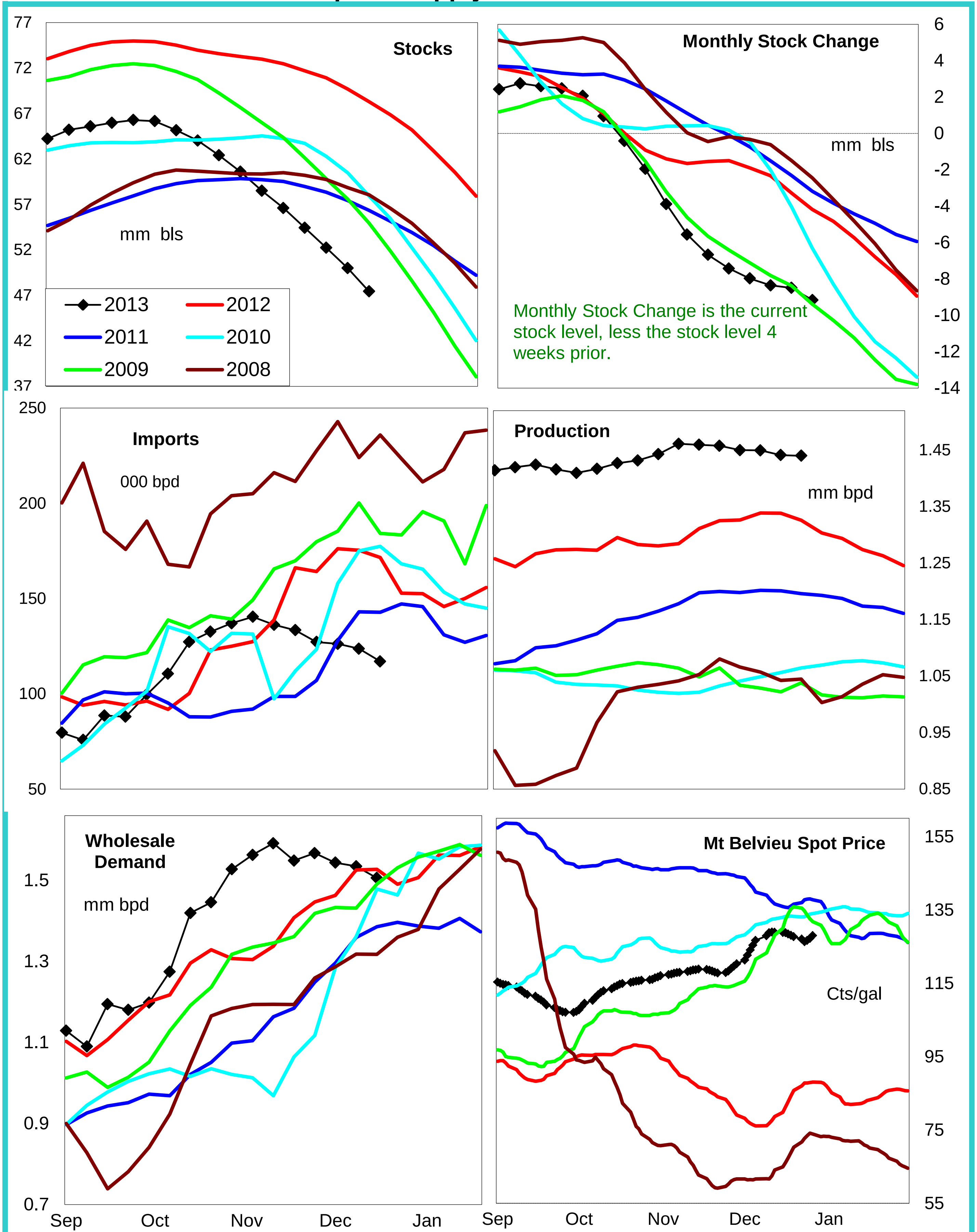
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	-21,408	-4,983	95	-68		37	338	203	-64
% change	-31.1	119	7.0	-35.5		2.4	26.9	15.9	-5.5

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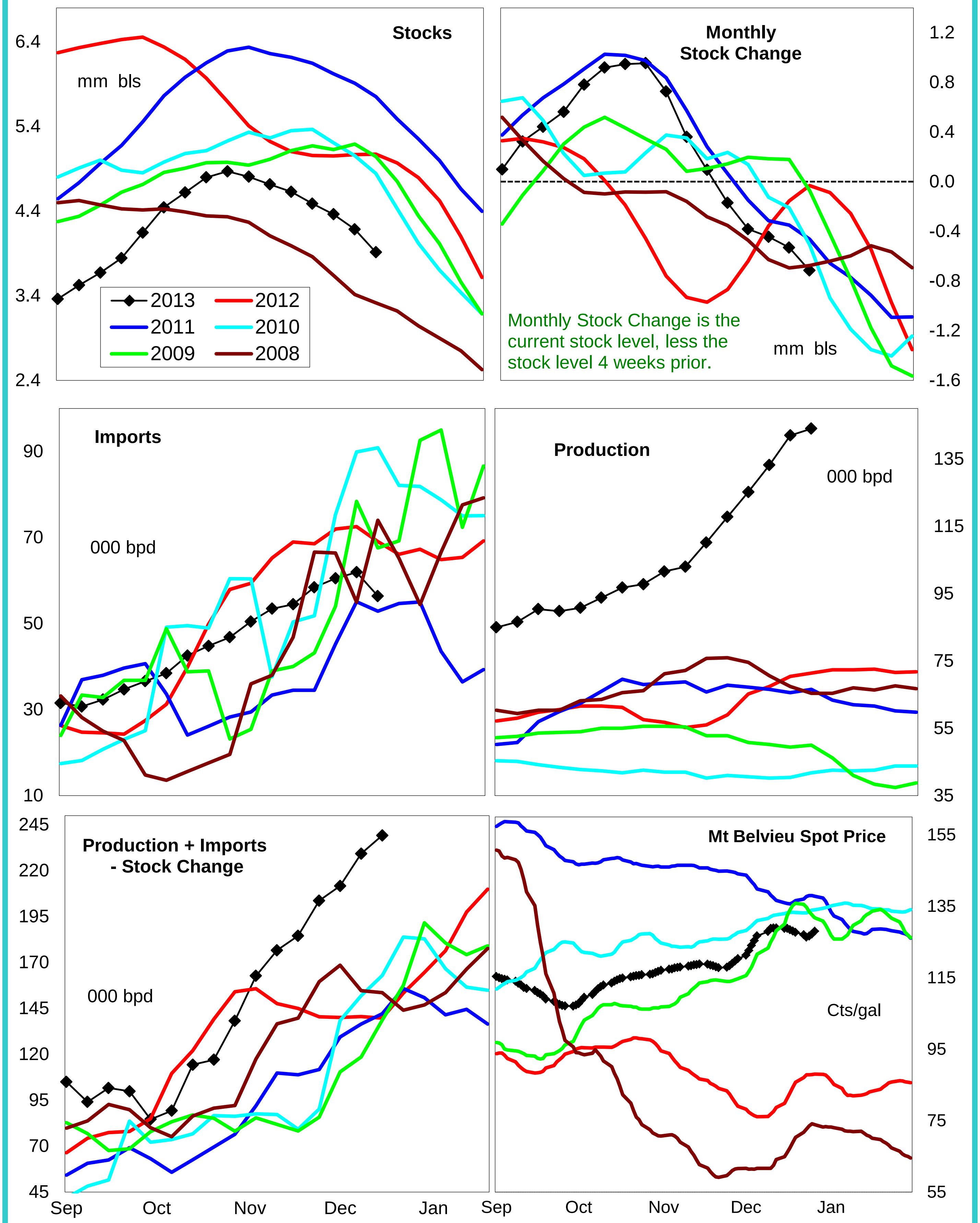
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,183	-685	71	-14	81
% change	-23.2	2,268.2	102.5	-18.7	57.6

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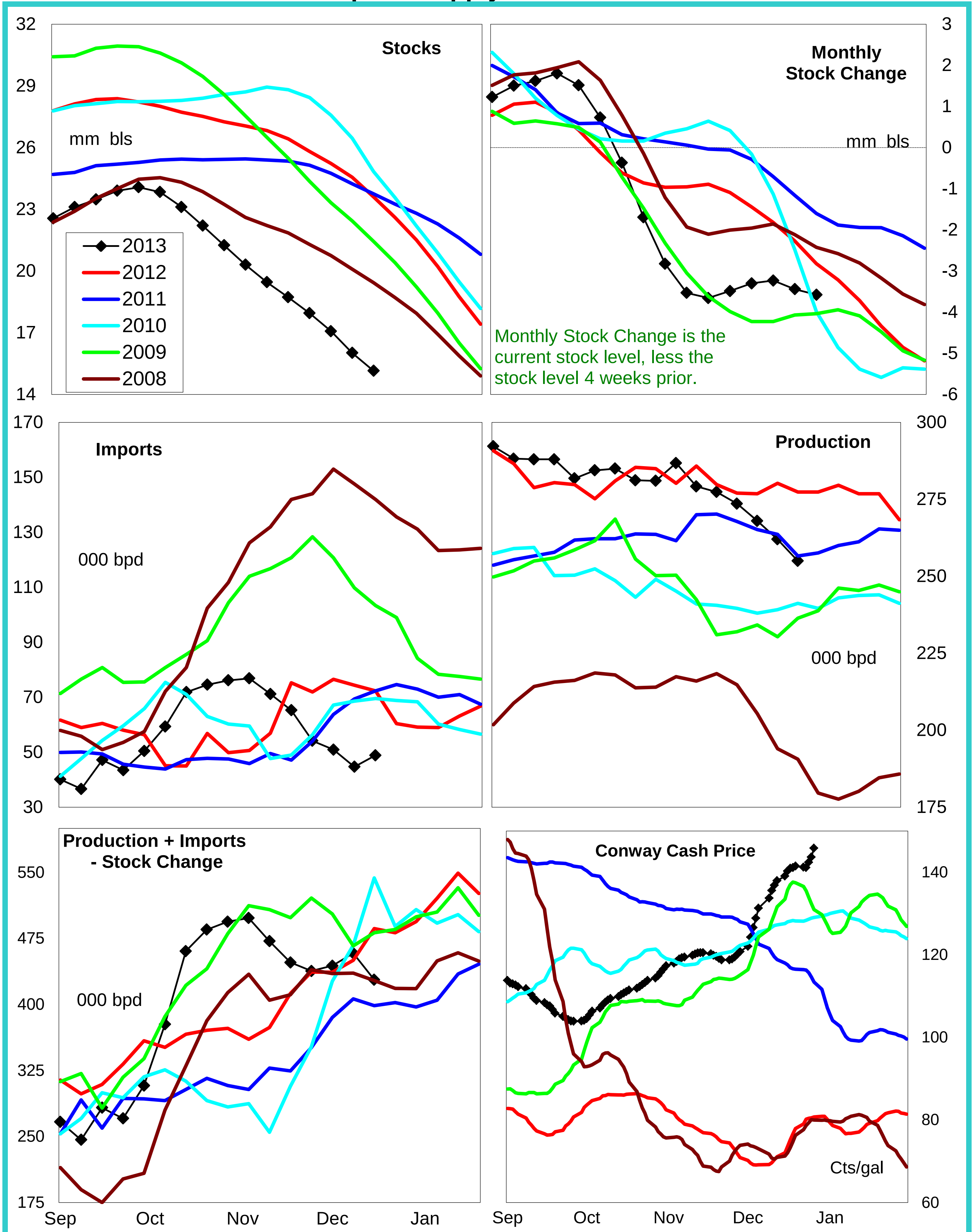
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,501	-753	-20	-38	-10
% change	-35.9	26.7	-7.0	-44.9	-2.3

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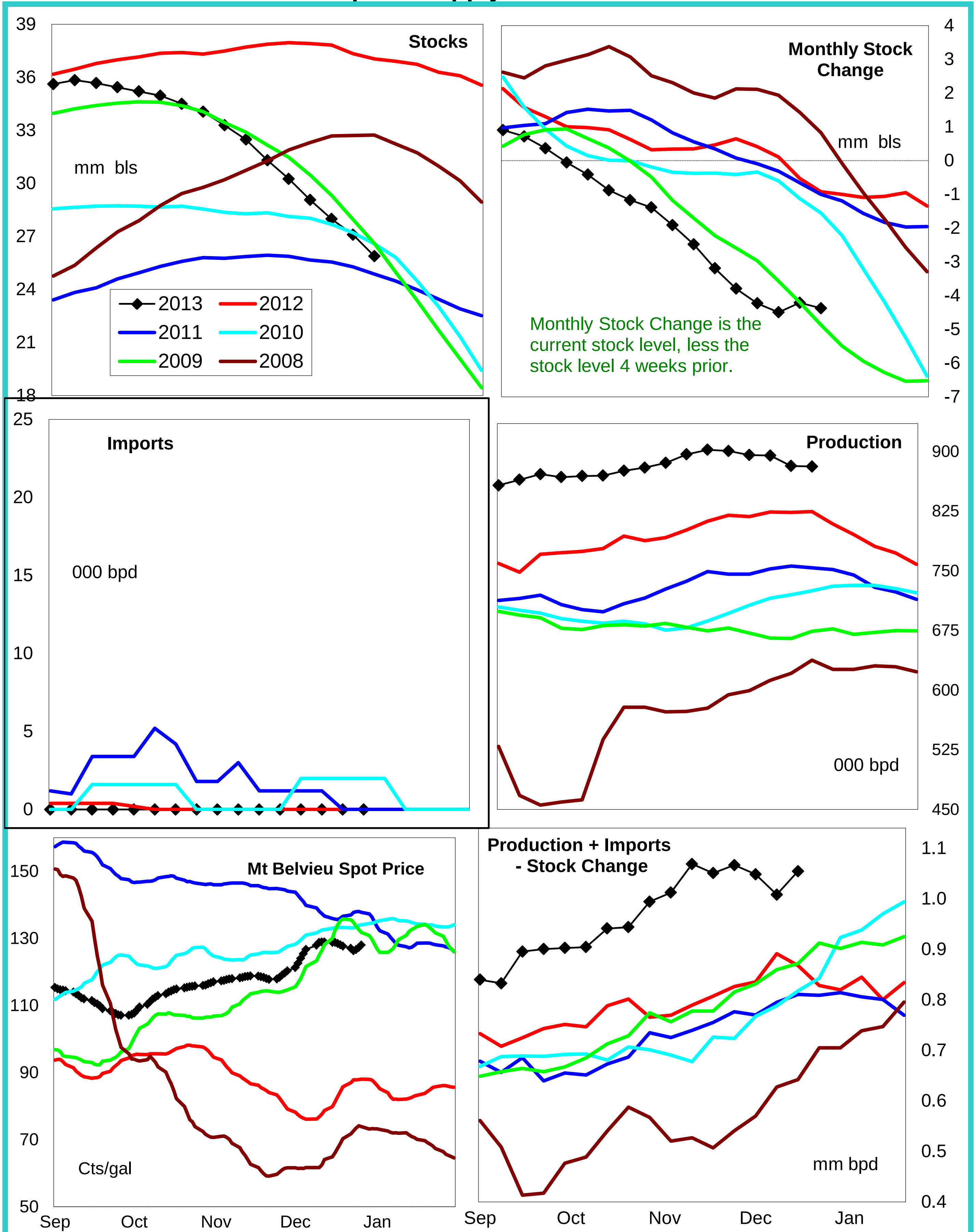
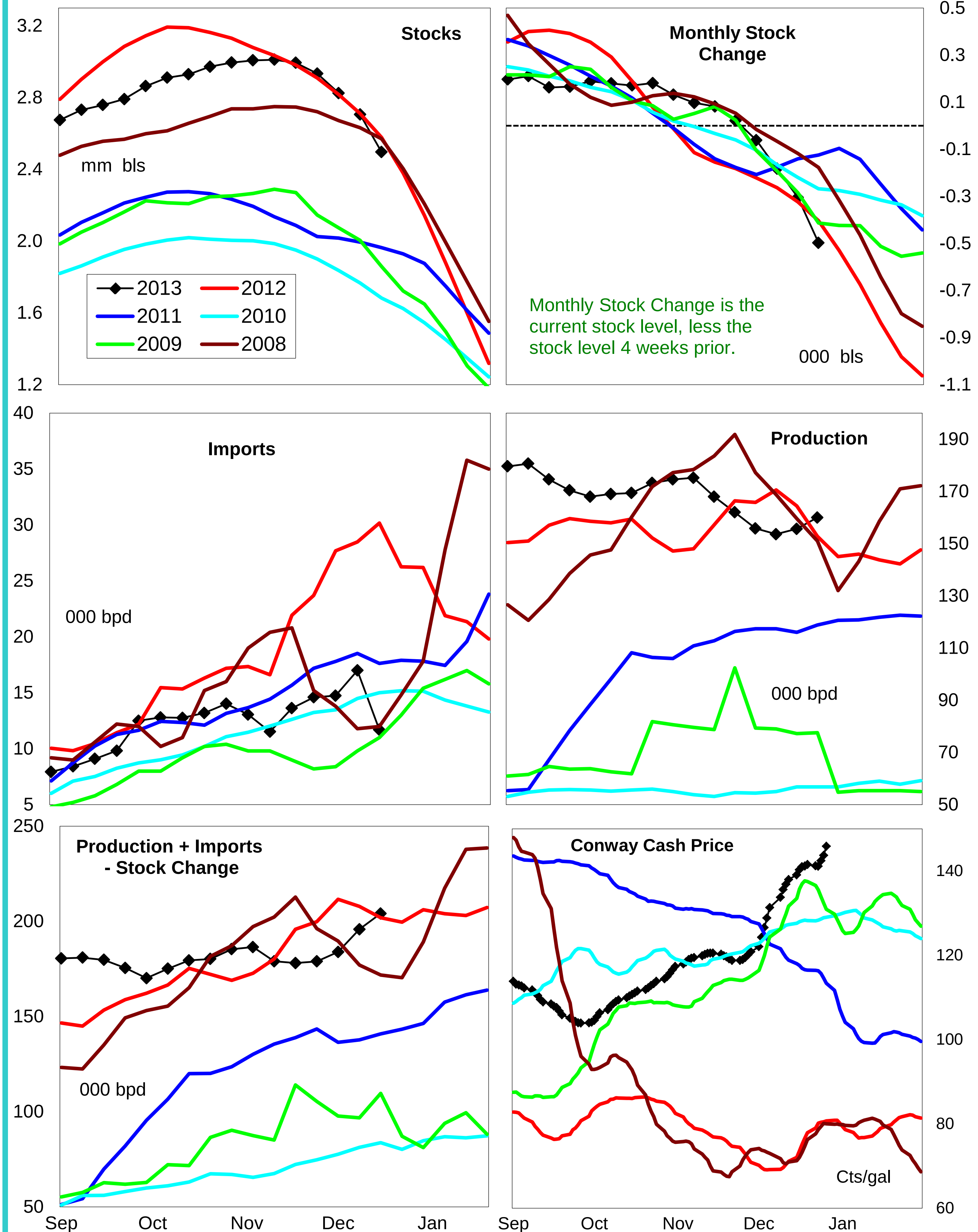
PADD 3 Propane Supply and Demand Balance



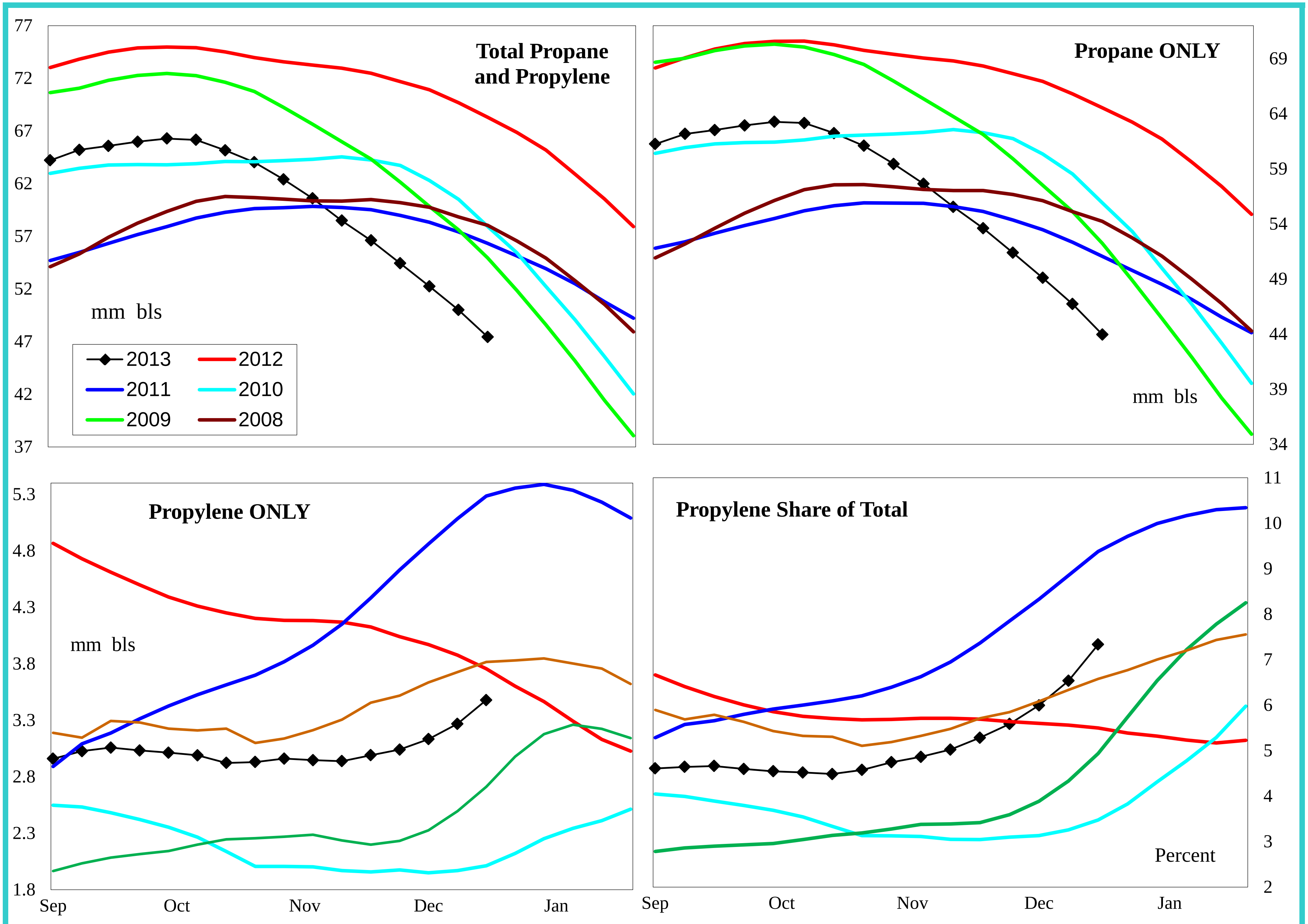
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-11,648	-3,452	62	0	189
% change	-31.0	375	7.5	#DIV/0!	22.1

PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-77	-94	-19	-16	-15
% change	-3.0	23.2	-10.9	-50.7	-7.1

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-21,408	-21,051	-278
% change	-31.1	-32.4	-7.4

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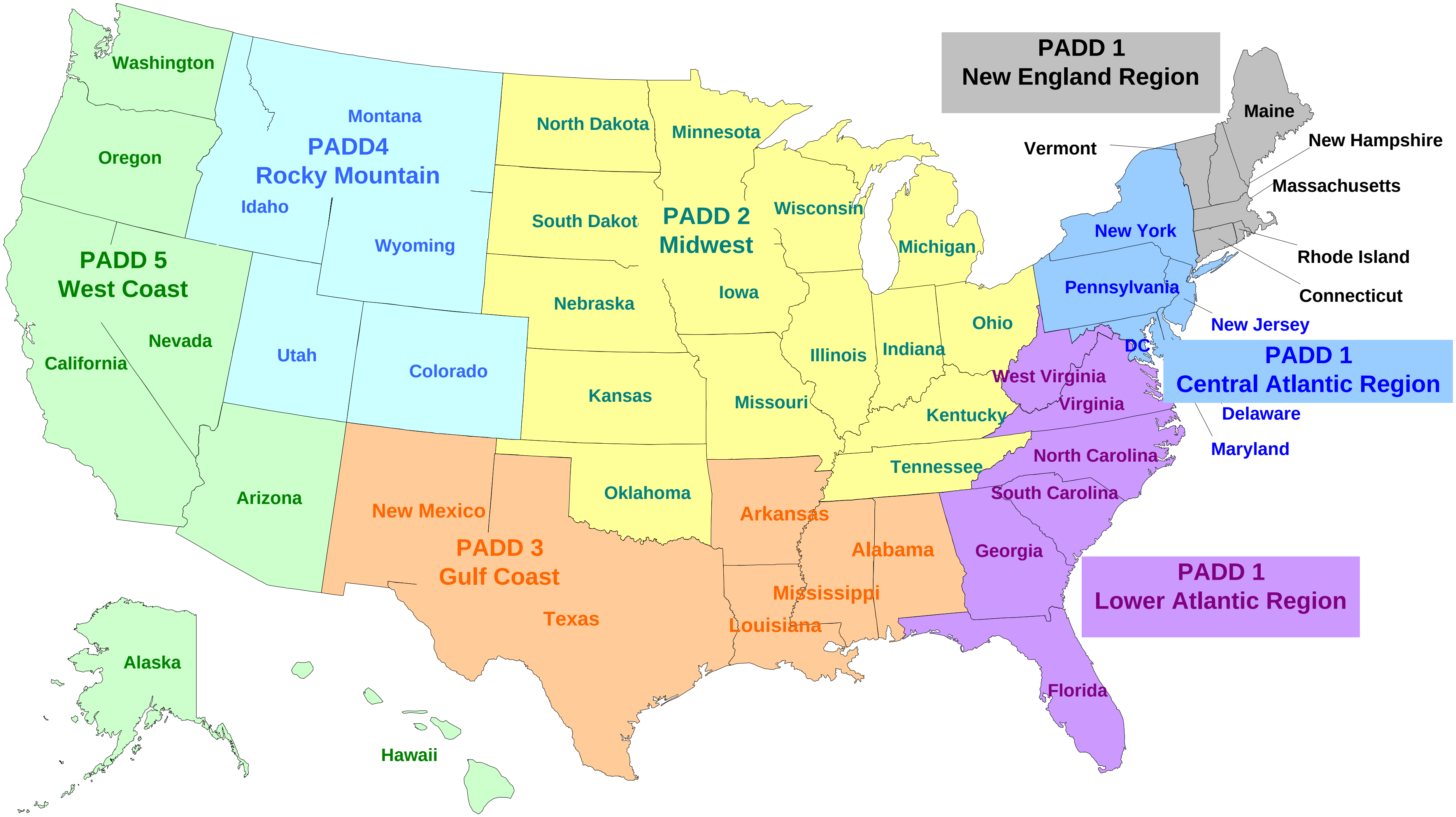
U. S. Petroleum Administrative for Defense Districts (PADDs)



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